

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ  
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КАФЕДРА ІНОЗЕМНИХ МОВ  
ЛІНГВІСТИЧНИЙ НАВЧАЛЬНО-МЕТОДИЧНИЙ ЦЕНТР

МАТЕРІАЛИ ІХ МІЖВУЗІВСЬКОЇ  
НАУКОВО-ПРАКТИЧНОЇ КОНФЕРЕНЦІЇ  
ЛІНГВІСТИЧНОГО НАВЧАЛЬНО-МЕТОДИЧНОГО ЦЕНТРУ  
КАФЕДРИ ІНОЗЕМНИХ МОВ

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## HUMAN CAPITAL

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Human capital is one of the determining factors of human development and economic growth and it becomes the main source of wealth.

The term ‘human capital appeared rather long ago but it developed very quickly only in the second half of the twentieth century. For this reason it is important to evaluate the already extracted economic theory of scientific knowledge on the definition of its essence.

The classics of political economy A. Smith , D. Ricardo, K. Marx, I. Fischer and others laid methodological basis of the research, the. The main development of human capital theory has been in the works of T. Schultz and G. Becker.

One of the first concept of human capital W. Petty used in 1676 by comparing the loss of weapons and other instruments of war with the loss of human life. He believed that human life had a monetary value, specifying that the loss of human life in war as the monetary loss to England.

Human capital is the value of the stock of skills, experience, knowledge, which are involves in the process of management and capitalized on the basis of hiring and they bring added value (profit).

The term human capital is determined by human knowledge, health, skills, experience used by the individual for making profit. Under the concept of “human capital” we understand:

1. The acquired knowledge, abilities, and skills;
2. This stock which should be used in different spheres of public activities. It promotes the growth of labor productivity and production;
3. The usage of this reserve leads to the growth of salary of the employee in the future declining of the part of its current consumption;
4. The increased income promotes of the growth interest of employee, and this leads to further investment in human capital;

5. These human abilities, talents, knowledge, etc. are an integral part of each person;

6. This motivation is a necessary element for the reproduction process which means (the formation, accumulation and the usage) of human capital.

The typical forms of investment in human capital are the following activities:

1. Education.

2. Training.

3. Migration and the search for work.

4. Health and nutrition.

This also applies to Ukraine, because in our territory human capital is the most valuable of all types of capital. The insufficient level of human capital at the present time is the main obstacle for the economic renewal of the country. According to experts, the increase of human capital by 1% leads to the growth of labor productivity in 3,81% and acceleration of rates of growth of GDP per capita by 1-3%.

One way to increase the total amount of human capital in the country is investing in people, namely in their health and education.

The investments in human capital increase the professional qualification and the productivity capacity of a person and thus the performance of his work.

Investments in human capital are carried out in different forms – in the form of training at the educational establishment and in the apprenticeship at a workplace.

In the context of globalization and rapid development of scientific and technological progress of knowledge becomes the main driving force of competitiveness, moving material resources into the background. Almost all countries in the world have understood that only through knowledge it is possible to improve the competitiveness and provide the modern level of life.

Scientists and research institutes made some attempts to assess the level of knowledge economy of Ukraine. The index of the economy the knowledge Economy Index - KEI) and the index of the knowledge Index - KI) were calculated with the help of this method.